

Hearing Submission : Social Security at 75 years: More Necessary Now than Ever

Dear Chairman Pomeroy,

Mr. Chairman and other members of the committee thank you for allowing me to provide this submission.

As you know the President has formed the National Commission on Fiscal Responsibility and Reform to address the issues of the deficit and entitlement spending. At the committee meeting on June 30th, 2010 Doug Elmendorf, Director of the Congressional Budget Office made a presentation based on a recently released CBO report entitled: The Long-Term Budget Outlook, June 2010.

Throughout the CBO report Mr. Elmendorf states that Social Security spending is a significant cause of federal budget deficits.

I would like to draw your attention to two items. The first is expressed in Table 3-1 (page 15) of the Long-Term Budget Outlook report. It clearly shows that in the short and intermediate time frame (2010 through 2034) the Social Security Program is in actuarial balance and actually reduces the deficit by .2% of taxable payroll.

The other item that deserves your attention is the data from figure A-1 (page 66) Long-Term Budget Outlook report. The data in the report is represented as Social Security, Health Care Spending, and Other Non-interest Spending. I have created a chart which uses the CBO data but have modified the grouping to show Medicare, Medicaid, CHIP and Exchange Subsidy Spending as one category and Social Security and all Other Non-Interest Spending as another category. This graph shows that Social Security and all Other Non-interest outlays actually “decrease” as a percentage share of GDP into the future (see attached chart).

Thank You Very Much,
Jeff Kelly

**Noninterest Spending as Percent of GDP
(Extended - Baseline Scenario)**

